PAYING OFF AN OLD GRUDGE.

London Stock Quotations Have Become Almost Meaningless Because of New York Manipulation.

divested of its old-time significance. Formerly this market was influenced largely by London quotations, but since these quotations no longer reflect an independent foreign judgment of our securities they are almost meaningless. It is a favorite trick of Wall-street operators these days to "rig" the London market for effect on this side. Thus, after a weak closing here, if it is desired to force a rally in the morning orders are cabled to London to buy and bid Special to the Indianapolis Journal. up American stocks, and the 2 o'clock Lon-NEW YORK, Aug. 1 .- There is some inion quotations cabled back for the opening of this market are, therefore, more or less fictitious. This is so well understood that London quotations are interesting chiefly because they reflect the opreations of Wallstreet interests. The foreign holdings of American securities are now the smallest in many years. On the bull movement that culminated a year ago London and the Con-

side history connected with the failure of Talbot J. Taylor & Co., and although it is yet impossible to write it in anything like complete form, the fragments which are available, when placed together, give a fairly clear idea of how scores are paid off in Wall street. The failure entailed a loss on James R. Keene which he himself has estimated at \$1,500,000, and which some other people estimate in larger figures. Talbot J. Taylor is Mr. Keene's son-in-law, and it was in the office of Jalbot J. Taylor & Co. that the veteran operator made his Wall-street headquarters. He was necessarily involved, more or less, in the fortunes of the firm, but not to such an extent that its failure would seriously menace his personal fortune. When the suspension was announced and for several days afterward a great many people refused to believe Mr. Keene when he said that his loss would be confined to the \$1,500,000 he advanced to tide the firm over, and insisted by the fact that a quantity of the explosive in the Wall-street game. Mr. Keene's personal fortune not only remains unimpaired, but his position and standing in Wall street are unaffected. He will have to be reckoned with as a stock market power for some time to come, barring, of course, possible disqualifications on account of health. Two years ago when Mr. Keene was at the apex of his prosperity his fortune was estimated at more than \$40,000,000. About this time he made handsome settlements on his wife, his son, Foxhall Keene, and his daughter, Mrs. Taylor. Some of his friends intimate that he took the further precaution of so providing for himself that he need never worry in the future, even though the fickle fortune of Wall street should turn against him in his old age. He is quite beyond the possibility of embarrassment, and the croaking of his enemies was pre-

ly from unfortunate commitments in various unprofitable underwriting schemes and promotion ventures, one of the largest and most unprofitable of which has been Mr. Morgan's International Mercantile Marine. The capitalists involved in such underwritings have been forced to sell their But to return to the failure of Talbot J best secarities to pretect those that were Taylor & Co. There is not the slightest unmarketable, and International Mercantile doubt that important financial interests Marine, by the way, is about the least marexerted, to use one banker's phrase, the ketable of any of the undigested, or as Mr. minimum of effort to prevent the firm from Hill says, "indigestible" securities. Wall going to the wall. A less reverent authority street is becoming divided into two parties says bluntly that certain banking interests -pro-Morgan and anti-Morgan. The prowere after the Taylors, and sought through Morgan faction scoffs at the notion that his them to hit bigger game, meaning Mr. Keene. Last autumn the Taylors were prestige has been seriously impaired, insisting that he is much too big a man to forced to liquidate a large block of stock be reduced, except temporarily, from his great eminence. The other faction is skepof National City Bank stock. That was the first intimation that Wall street had that tical about a Morgan bull market, which banking interests were hostile to the firm. the pro-Morgan people declare will unfold Previously a block of First National Bank as soon as the existing situation begins to stock had been dislodged from the possesmend. There are some very competent obsion of the Taylors in a manner that did servers of Wall-street affairs who perceive not attract general attention. The Nain recent events a variety of subtle and hostional City Bank stock was recovered from tile influences aimed at Mr. Morgan, all calculated to detract from his prestige. the Taylors by a process known in the vernacular as "standing them on their It is asserted that E. H. Harriman, the heads and shaking it out of them." Knowcrafty little man who wears a hat a size too ing how the firm was situated as to loans, large and is unknown by sight in the most etc., the banks who were a party to the traveled thoroughfares of the Wall-street transaction brought pressure to bear and district, has played the part of swordfish continued it until the Taylors were simply to the Morgan whale. It was Mr. Harriforced to yield and throw the stock on the market. It was all taken by National City party in the Northern Pacific episode, and Bank interests at one price. It has been did force the fight to a "draw." Except for whispered in banking parlors for several the extraordinary exploit of Mr. Keene in months, in fact ever since this National buying 150,000 shares of Northern Pacific in City Bank episode, that an object lesson was to be made of Talbot J. Taylor & Co. have swept Messrs. Morgan and Hill from On their own account, and acting for Mr. the Northwestern railroad map at that Keene, the firm had been identified with a time. By making the most disastrous corner great many exploits that did not endear that was ever known in Wall street, he did them to certain powerful interests. The ancient feud between Whitney and Keene upon Messrs. Morgan and Hill in their is too well known to need retelling. More Northwestern merger deal. recent matters may be recalled, notably the bear campaign against Metropolitan, in which Talbot J. Taylor & Co. figured The stock market atmosphere has been prominently, and Mr. Keene's contest with greatly cleared by the failures. At the time the Union Pacific people, questioning their right to withhold dividends on Southern of this writing a more cheerful feeling prevails around Wall street, due largely to Pacific stock and even the validity of their control of Southern Pacific, because

had a buil pool in that stock.

When the failure of Talbot J. Tay-

veteran members of this community that lor & Co., was announced, all but one of the financial institutions holding the firm's collateral agreed to give it time had not resulted in a crash involving sevstead of forcing its stocks on the market at eral houses. Now that the crash has come sacrifice prices, and the one institution that refused to do this is controlled by the banking interests most hostile to Mr. Keene. XXX In the last analysis of things it is the market and there is no appeal from their would point, rather, to low, settling market, during which the sharp edges of the recent judgments. When they find an individual trouble will be worn off and people will reor crowd is unwisely extended they may force liquidation by calling loans. This is most always done to conserve the general the best banking critics in the street believe welfare, but sometimes, it is necessary torelate, the banks use their tremendous power for ends that strike the outsider as being more private than general. The rich Westfeature of the situation is that stocks and ern element that became so mighty a speculative force in Wall street two years or heaviest volume that has ever been known. more ago had to learn by experience that the banks sit in judgment upon other people's stock market operations and permit hands. The manner in which they are held them by grace of consent and credit to conmay be surmised from the fact that in tinue or cut them short arbitrarily, as the order to stampede a short interest this week exigencies of the situation may require. an actual scarcity of stocks was fictitiously This was a thing the Western operators did not realize when they set up plants of their actually lending at premiums in the loan own in Wall street and began to borrow their own money and clear their own stocks practically bare of stocks, and the sources | the week. instead of distributing their business among at which securities can be borrowed are was impossible to conceal operations of such magnitude as theirs. It was nothing unusual for one Western house to have loans aggregating \$50,000,000 or more. Formerly when these Western operations were conducted through Wall-street houses, it was more difficult to trace them. By doing the business for themselves, Western operators exposed their positions and invited all manner of hostilities. In the end if was these houses that stood the brunt of the liquidation that was forced by the banks, Loans were called from them \$5,000,000 at a time. It may be said that the situation demanded heroic treatment, but this would that culminated a year ago, furnishing the

then the Western contingent

Of all the Western interests that have

lately become prominent in Wall-street af-

lute certainty.

after a hundred for the state. Honor money to finance it, knowing that the crash must come. They turned very suddenly on those whom they had been receiving with smiles and words of approbation in their banking parlors, and forced them to liquidate in a manner never before seen in Wall street. That happened last autumn, and been more conservative in its operations. having learned that there is everything to gain and nothing to lose in this community by concealing one's operations in every way possible. It is impossible for any one to fool the banks. They have an intimate knowledge of everything that goes on. Six or eight of the leading bankers meet occa-sionally in an uptown club and discuss the none of us live long enough to be satiate market situation. They exchange information as to the loans and commitments of firms and individuals, and decide upon policies in regard to them, which afterward govern the course of the market with abso-

Truthful Nellie.

its own against this powerful banking syndicate. The leaders of this party financed their Rock Island deal at the apex of the bull market without paying commission to anybody for any service whatever. It was

Having put their Rock Island deal through (and it was about the last big deal to be smoothly financed) they were shrewd enough to stop. They afterward arranged the St. Louis & San Francisco deal, but that involved no money, requiring merely an exchange of stocks. They further strengthened the system this week by tak-

TONE BETTER AT THE CLOSE THAN

AT THE BEGINNING.

strengthened the system this week by tak-

ing over the Evansville & Terre Haute and

the Evansville & Indiana and will devote

ments from net earnings until the system is

brought to the highest possible state of ef-

cheapest security market in the world, the

British and Continental interest in our

ket for "Americans" is governed largely by

haustible supply. The return of American

in 1897, and the movement has continued

eign exchange authority made the asser-

almost uninterruptedly ever since. A for-

to Europe at this last half-year disburse-

ment period amounted to only 5 per cent. of

the corresponding remittance made ten

\$70,000,000 was annually sent abroad for in-

terest and dividend disbursements ten years

ago, something like \$5,000,000 covers the re-

The raising of the dividend on the Erie

first preferred recently to the full 4 per

cent. was generally interpreted to mean

that Mr. Morgan took this means of declar-

ing unimpaired confidence in the situation,

and the action for that reason produced a

general impression quite distinct from the

satisfaction of those who benefited by it

directly. Those who have conversed with

Mr. Morgan recently say that he is very

bullish on the outlook, and insists that pes-

simism has been carried to an extreme

unwarranted by existing conditions. He is

inclined, moreover, savagely to lecture

those who have been selling stocks, par-

ticularly his stocks. In one way this is re-

assuring, but in another light it invites

stringent criticism. A great deal of the

most urgent liquidation which has occurred

within the last few months resulted direct-

quirements now.

and Southern Pacific properties.

undivided attention the next two years to the physical upbuilding of the 16,006 miles of road owned and controlled. About \$10,-000,000 a year will be put into road better-Unrest Over Monetary Conditions and the Outlook for Fall Credits Is ficiency. This is essentially the policy pursued by E. H. Harriman with his Union the Dominant Factor.

In spite of the fact that this is now the NEW YORK, Aug. 1 .- Dealings in stocks were so small and the tone of the trading fact which must eventually cause foreign was so indifferent to-day that little signifiinvestment buying on a large scale, the cance could be attached to the movement of prices, which was very narrow and slugstocks is very backward. The London margish, except in a few individual stocks influenced by special causes. There was sellorders cabled from this side. The internaing of Rock Island, induced by the crititional business from day to day is thereby cisms of the proposed refunding bond issue. People's Gas rose more than a point on the declaration of the regular quarterly dividend. There was a gain of a point in Mexican Central on rumors of the taking over of a large block by private agreement. North American had the benefit of the purchase by a prominent banking house of the holdings of one of the firms which failed last week. The market was almost wholly made up of such scattered movements. The decision in favor of the Northern Securities Company of the suit brought against it by the State of Minnesota caused a 4-point jump in that stock on the curb, but the response in the general market was barely Am. Linseed Off...... 200 9% tinent sold stocks to this market until Wall The increase in loans reported by the Am. Loco. pref .. street marveled at the apparently inex-

tion that interests and dividends remitted the Pennsylvania notes, which was expected to reduce the loan acount of the banks, has been made in part to trust companies. years ago. In other words, whereas about | The call for payment of \$5,000,000 on the International Mercantile Marine underwriting and of \$3,500,000 on the Louisville & Nashville bond underwriting had to be provided for. Bankers also report that there is growing up a large seasonable demand Pressed Steel Car pref.... 210 2 Pullman Palace Car..... 210 2 thermore, that there has been very large Republic Steel pref...... 100
liquidation of loans to trust companies during the week. The week's stock market liquidation has been admittedly very heavy, and the foregoing reasons are advanced to explain why the liquidation is not reflected in the loan item of the associated banks. It must be remembered also that liquidation involves buying as well as selling, and some of the banks have been taking up stocks for their customers at what they consider advantageous prices. The selling on the bank statement was not pursued and the market steadied and closed lifeless. Prices of stocks have recovered somewhat in this week's market and sentiment, on the whole, has improved. The market was unsteady at times on the recovery, and scattered liquidation was still in evidence here and there in the specialties. There were sufficient doubts remaining, also, over the general situation and outlook in the country to restrain the buyer of stocks on any considerable advance. But the forced selling of stocks hypothecated in loans has been much less in evidence and this fact has allowed prices to rise somewhat on the demand from shorts to cover, and on a moderate investment demand. There has been apprehension of the usual consequence to follow such a period of drastic liquidation, such as the renewed liquidation on any advance of accounts allowed to carry over the period of acute weakness in the market in the hope of a more favorable opportunity to market

There is some dread, also, of the possible reactionary effect of the long fall in securities values on the general business and industrial situation. The fall in values has resulted in an enormous shrinkage in the available basis for credits and the possibil ity is canvassed of a contraction of credits in commercial lines as a later sequence. Vice President A. Barton Hepburn, of the Chase National bank, in an interview which has commended widespread attention and comment in Wall street, uttered a distinct warning of the danger of overextension of credits at this time in commercial lines as well as in promotion projects. The note of conservatism is still dominant in the financial world and the uniformly favorable reman who so nearly defeated the Morgan | ports received of general business conditions from all quarters have not been sufficient to change this feeling.

The announcement of the purchase of the control of the Evansville & Terre Haute one day, Mr. Harriman certainly would for the Rock Island system served to revive some talk of combinations and absorptions of railroad systems. There has been a theory among a certain class of stock market operators that the present succeed in forcing himself as a partner fall in stock prices is the result of a concerted campaign by a powerful financial party with the purpose of buying in various railroad properties, even including New York Central and Pennsylvania, on advantageous terms. Persons with this theory have given ready credence to all sorts of rumors of passing of control. The argument seems plausible that the "community of interest" policy might be perfected to the trust that further serious failures will much better advantage at the present level be averted. It has been a marvel to the of prices for securities than at the extravagant valuations at which the great mergers were carried through. But this conthe enormous shrinkage in securities values tention leaves out of account the great facility with which the new securities issued against the collaterals of the stock acquired for the mergers were disposed of they feel relieved. Money lending institu- to an eagerly buying public. There is little tions are loaded up to the ears with col- encouragement for the underwriting by lateral which they are waiting to sell on a syndicates of new securities in the present better market, and it is difficult to see, conditions of the stock and money markets. serve in the division of redemption, shows: The money market has grown apprecia six months' loans have been shaded below 6 per cent. The market at those rates has been largely nominal, however, and lenders have shown little anxiety to place loans conditions. There is a lot yet to be done at the prevailing rates while the demand in the way of setting houses in order, but | for funds has grown languid. Loans made on-stocks at their present prices call for smaller allowances for shrinkage and are more secure than loans on the inflated basis of last year. The case of stocks which are discredited by fears of bankruptcy is different and is the source of weakness in other stocks sold to protect them, The the country by mail and express in the working out of the autumn money requirement is the problem of first importance in

the situation, as it has been for many and the usually active issues moved irregularly in sympathy with stocks. Among dormant investment issues with preceding fers were effected only at wide concessions United States threes have declined 1 and

crowd. The ordinary commission houses are the old fours 14 per cent. on call during Following are Saturday's share sales and the recorded price changes:

est. 61%

& O. pref Central of New Jersey Chi. Term. and Trans.... Chi. T. and T. pref...... Colorado Southern Denver & Rio Grande locking Valley pref...... owa Central pref .. Kansas City Southern.... Inhattan L Mo., Kan. & Texas...... 200 Nat. R. R. of Mex. pref.. 100 New York Central...... 2,910 Norfolk & Western 1,400

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Union Pacific pref...... Wabash Wabash pref 21% 36% 15% 17% 700 37% Wis. Central pref...... EXPRESS COMPANIES-MISCELLANEOUS-Am. C. and F. pref..... Am. Linseed Oil pref..... 100 bank statement was of more effect, as Am. S. and R. pref...... stocks from Europe is said to have begun | much had been made by the speculative ele-Am. Sugar Refining. ment of a supposed heavy contraction to be Brooklyn Rapid Transit.. 1,340 General Electric Inter. Pump pref..... National Biscuit National Lead North American 1,250 Rubber Goods pref. Coal and Iron.... Leather pref...... Rubber pref..... 23% 72% UNITED STATES BONDS United States refunding twos, reg. United States threes, reg

HEAVY HARDWARE

*United States threes, coup ... United States new fours, reg. *United States new fours, coup. United States old fours, reg..... States fives, reg..... *Ex. interest. Chicago Stocks. [Albert R. Thompson & Co.'s Wire.] Open- High- Low- Clos-American Can pref...... 39

MONETARY. Rates on Loans and Exchange-Clear-

Diamond Match131

ings and Balances. INDIANAPOLIS .- Commercial paper, 4@ per cent.; time loans, 5@6 per cent. Clearings, \$1,090,189.24; balances, \$163,843.18. NEW YORK .- Call money nominal; no loans. Time money easy; sixty and ninety days, 4 per cent; six months, 5@5%. Prim mercantile paper, 5%46 per cent. Sterling exchange fairly steady; actual business in bankers' bills, \$4.85.625@4.85.875 for demand, \$4.83.275@4.83.625 for sixty days; posted rates, \$4.84\2@4.85 and \$4.87@4.87\2; commercial

bills, \$4.831/4.

Money Rates Abroad. LONDON .- Stock exchange holiday; money, 11/2@2 per cent. Bullion taken into Bank of England on balance, £48,000. PARIS.-Three per cent rentes, 98f 5c

BERLIN.-Exchange on London, 20m

Markets for Silver. NEW YORK.-Bar silver, 54%c; Mexican LONDON .- Silver bars, 25 5-16d an ounce

Specie and Merchandise Movement. NEW YORK .- Imports of dry goods and merchandise at the port of New York for the week were valued at \$11,993,227. Exports of specie for the week were \$428, 355 in silver and \$2,300 in gold. Imports of specie were \$20,797 in gold and

\$64.254 in silver. Treasury Statement. WASHINGTON,-Saturday's statement

of the treasury balances in the general fund, exclusive of the \$150,000,000 gold re- In treasury of Philippine islands

WEEKLY BANK STATEMENT.

Disappointing Showing in Loan Item

NEW YORK, Aug. 1.-The weekly statement of averages by the associated banks

Deposits 908,507,700 Inc. 7,408,400 Circulation 43,862,600 Inc.. Legal tenders 80,786,200 Inc. 2,643,700 Specie 170,738,300 Inc. 4,371,200 fotal reserve 251,524,500 Inc..7,104,400 Reserve required 227,464,425 Inc. .1,870,225 Surplus 24,000,075 Inc. 5,144,675 Ex. U. S. deposits .. 33,380,425 Inc..5,150,750 The Financier says: "The only disappointing feature of the statement of the New

as in the previous week, the returns failed to reflect in the loan item the liquidation in the stock market which was quite large | ing a deficit of \$7,876,613. For the month of at the end of the week ended on July 25, and which continued during part, at least, of the last bank week, and the repayment of the loans made by the Pennsylvania Railroad Company during the week was not shown in the statement. Instead of an important reduction in loans, as was confidently looked for, there was an increase of \$964,800, following a gain of \$884,200 in the previous week, making \$1,849,000 for the fortnight. The only reasonable explanation which can be made of this failure of the statement to that the loan contracts which were liquidated, as the result of the unsettled stock market, were replaced with the purchasers of stocks early last week and that the loans to the Pennsylvania Railroad Company which were repaid, were originally affected with trust companies and institutions other than the banks, and, therefore, that their cancellation was not reflected in the bank statement. The cash reserve showed the important increase of \$7.-014.500, or \$1,330,200 less than the estimated movements of money. This discrepancy may, however, be accounted for by the that on the last day of the bank week the assistant treasurer was credited at the clearing house with \$1,764,143, caused by the payment through the banks to the treasury of a Central Pacific note for \$2.-40.615, and that this credit balance and the partially offsetting payment by the subtreasury of \$700,000 on account of a transfer of gold from San Francisco were not included in the estimates. The deposits increased \$7,480,500, which sum was \$498,800 less than that called for by the gain of cash and the increase in loans; therefore the statement did not balance. The required reserve against deposits was the gain in cash left \$5,144,675 as the in-

A Fool Parent.

Jan. 31, which was the highest of the

she is such an awfully sensitive child and it does hurt her feelings so." The request illustrated the rubber-tire plan of education smoothness and swiftness, and "that

INDIANAPOLIS BANKS DID AN ENOR-MOUS BUSINESS IN JULY.

Three Calls a Week on the Stock Ex-This Month-Secretary Shaw's Bond Refunding Plan.

The Indianapolis banks made a recordbreaking showing in clearings last month. The July clearings, according to the statement of the Indianapolis Clearing-house Association, amounted to \$32,304,942, which is more than \$9,000,000 greater than the clearings for July, 1902. The month of June this year held the record previous to the July showing, with \$30,675,832. This year the local banks have continued to increase the volume of their business, the same as they have done for several years past. The first six months of this year the clearings were more than \$22,000,000 larger than for the same period of 1902. The following table shows the monthly increase in clearings for 1903 over last year:

January\$23,152,980,41 \$25,726,484.07 February 18,267,638.75 19,229,046,64 March 20,625,760.94 22,339,470.28 April 21,127,359.33 25, 194, 256, 16 27,132,940.83 June 22,888,609.00 30,675,832,27 July 23,052,611.28 32,304,942.52 During the present month the Indianapo-lis Stock Exchange will observe three calls a week-Mondays, Wednesdays and Fri-

days. Quotations of local stocks show little thange this week from last week. It is not expected that there will be much trading in local stocks this month. Beginning the 1st of September the Stock Exchange will observe daily calls. Reports from Washington state that the Treasury Department has received \$80,000,-000 3 and 4 per cent. government bonds to be exchanged for the twos under Secretary Shaw's bond-refunding plan, announced several months ago. The limit on this exchange is \$100,000,000, and from the fact that

there have been sent in \$80,000,000 of the

threes and fours, the secretary is satisfied

with the success of the plan. It is said that no more refunding plans are contemplated by Secretary Shaw. A dispatch from Chicago says: "The local money market the past week displayed further evidence of strength. Some of the larger trust institutions are not quoting rates at all, being able to get about what

they ask for money. Most of the money they have placed this week they will get 6 per cent. for.'

TREASURY STATEMENT.

Public Debt of the United States and the Cash on Hand.

WASHINGTON, Aug. 1 .- The monthly statement of the public debt shows that at the close of business July 31, 1903, the debt, less cash in the treasury, amounted 39pf. Discount rates-short bills, 4 per cent. to \$930,023,308, which is a decrease of \$5,-011,671, as compared with June, due to a decrease in cash. The debt is recapitulated

ceased since maturity Debt bearing no interest 392,568,282

This amount, however, does not include \$894,257,869 in certificates and treasury notes outstanding, which are offset by an equal amount of cash in the treasury held for their redemption. The cash in the treasury is classified as follows: Gold reserve

Trust funds 984,257,868 General fund 166,254,080 General fund In national bank depositories ... to the credit of United States

.\$1,366,194,329 Against which there are outstanding demand liabilities amounting to \$987.902.783, which leaves cash

balances on hand \$378,291,44 The monthly circulation statement issued by the controller of the currency shows that the total circulation of national bank notes at the close of business July 21, 1903

was \$417,346,487, an increase for the year \$8,362,203, and an increase for the month of \$3,675,837. The circulation based on United States bonds amounted to \$377,606,826, an increase for the year of \$60,992,059, and increase for the month of \$5,311,418. The amount of circulation secured by lawful money was \$39,729,661, a decrease for the year of \$2,629,-581. The amount of United States registered bonds on deposit to secure circulation notes was \$380,172,030, and to secure public deposits,

the government receipts and expenditures shows that for the month of July, 1903, the total receipts from all sources were \$48,611.-575 and the disbursements \$56,288,188, show-July, 1902, the deficit was approximately the same as for last month. The rece from customs last month were \$22,146,507, a decrease as compared with July, 1902, of \$1,284,000; from internal revenue, \$21,969,-743, increase \$345,500; from miscellaneous sources, \$3,505,325, increase \$250,000.

The monthly statement of the coinage executed at the mints of the United States for government account during the month of July shows a total of \$370,637, as follows: Silver, \$337,327; minor coins, \$33,310. No gol was coined. In addition the mints turne out 12,069,112 pieces on account of the Philippine islands, as follows: 1,434,112 pesetos: 3,205,000 five-centavos, 2,980,000 one-centavos, 4,450,000 one-half-centavos.

A Trained Negro.

Booker T. Washington, in August World's

In 1898 L. A. Smith finished the course

of training in dairying and in acaden branches, after making his way through by working in the day and attending scho at night during the greater portion of stay. Soon after Smith graduated we had a call for a well-trained dairyman from the Forest City Creamery Company, of Rockford, Ill. Smith was rece He has been holding an important position in the creamery for five years, and has several times been promoted and receive an increase of salary. Smith has paid for a neat and comfortable home where and his wife reside. He has the confiden and respect of the entire community this connection I might say that in taking up this work he looked so young and inexprove that he was fully equal to the occa-The proprietor unhesitatingly said that he was one of the most pro valuable men that he had in his emple and that he had placed him in a very h portant and trying place, that of making cultures for butter-that is, the development and use of the particular germs which have to do with the fine flavor of butter This is a secret department in which one except the employes operating it the proprietor are permitted to enter. "I just ran in," said a fond mother to a teacher, "to ask you not to mark Catherine's examples wrong, because, you see. Smith also did some very important of the said work in connection with a late which was supposed to involve the mark catherine's examples wrong, because, you see.

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JOHN S. TARKINGTON - - Manager.

LYDDITE'S TERRIBLE POWER. How Shells Are Filled with the Ex-

plosive at Woolwich.

For a long time after its first discovery pleric acid, which is the foundation of lyddite, was used in the arts chiefly as a dye without any idea of its terrible power. A one of the large manufacturing towns where a large amount of picric acid explosion occurred, the cause of which could not be explained. After a time experiments showed that pieric acid when space appeared to undergo a process of decomposition, which transformed it from an inert substance into one of the most ter-

M. Turpin, a French chemist, recognizing the possibilities of the substance, invented the preparation of it, which he named after M. Meline, the then French permier, and it was adopted in the French military service. Our own war office some years afterward followed suit, only their adaptation of pierie acid was named not after a promipolitician, but after the gunnery school at Lydd, in Kent, where the first experiments with it were carried out by Britsh artillery experts. Lyddite melts at a temperature of 122.5 centigrade, a degree of heat about 40 degrees Fahr, hotter than

away harmlessly with a smoky flame. To develop its explosive quality it must be fired by a detonating substance, such as fulminate of mercury, when it instantly resolves itself into gas at terrific pressure. In the filling sheds at Woolwich arsenal the shells, after being filled with lyddite,

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are left to cool in the shed. When quite cold the fuse hole in the nose of the shell, through which the charge was poured, is closed with a wooden plug, driven in with a lead hammer, so as to avoid risk of sparks, and the shell is then placed in store. No shells in our own service of a larger caliber than ten inches or of a smaller size than 4.7 inches are at present filled with lyddite. Those of a larger or smaller size are filled with ordinary gunpowedr in the form of what is known as "pebble" powder from its bulk and shape. Lyddite shells are always fused at the point, so as to avoid the risk of premature explosions in the bore of the gun when the shell is fired. If this accident happened no gun would be strong enough to resist the pressures that would be set up. Indeed, a premature explosion of this nature did occur some years ago in one of our warships when at practice in

lathe. Fortunately, the burst occurred in that portion of the gun which was outside-the side of the ship, so that there was no The inquiry which has been ordered by the war office into the dreadful accident last month at Woolwich may disclose the cause, but this is extremely doubtful. If, as is the accepted theory, one of the 10inch shells burst, detonating the others near it, it is possible that the accident was caused by a particle of grit on the wooden plug with which the filling hole is closed.

This may have caused a tiny spark that fell on and ignited the lyddite charge within the shell. The man who drove in the plug could not, of course, notice this, as the plug would prevent him seeing it, and the charge would burn quietly for a second or two, until the pressure and temperature rose sufficiently high, when the whole contents of the shell would instantly detonate. Be that as it may, the fact that lyddite is exceedingly safe to manufacture and to handle is proved which was in a melting pot in a shed near

that destroyed was quite unaffected by the CHINESE HIGHBINDERS.

The Oaths They Take and the Methods They Employ.

San Francisco News Letter. Few people, even in San Francisco, have a correct idea of the Chinese highbinder and the cause of the frequent wars in the Chinese quarter. The word highbinder is, perhaps, a localism, and it has no special meaning. It was applied by the police to the societies of Chinese because they did not know the names of the societies. According to the statements of christianized Chinese to one of the mission teachers, there are in this city several such societies, with a membership of from fifty to, perhaps, 200 each. They have names indicating that they are "bands of brotherhood," but the members are professional assassins, and will

kill any one for pay.

They are bound by oaths, like the Carbonnaira of Italy, and a traitor meets with death at the hands of one of the members, who is selected by lot. The organizations differ in detail, but the main object of all is the same-to rob and murder. The organization of one of the largest highbinder societies in the Chinese quarer is partly described by this christianized Chinaman, who was certainly a member, but who said that his "cousin" told him. They are chief, a second chief, a secretary, an "intro-ducer" and eight swordsmen. The candidate for admission unplaits his queue, indicating his abject submission to his superior officers. He is then led into the room by the official introducer, a red robe is thrown over him, and he is required to kneel under an arch of eight swords. One of these swordsmen places the blade of a sword upon the back of the candidate's neck as an indication of his fate if he betrays his associates. The chief, dressed in red, sits on a small platform, which is draped in the same color, and to his right is the book containing the oaths, passwords and signs of the order. In a raid a few years ago the police aptured one of these books and had it transated. The society then adopted a new manual. There are a number of eaths, the principal one binding the members to obey the orders of the society without question, and the rules prescribe When the candidate is taking the oath his finger is pierced with a needle and the blood

drops into a glass of wine held by the member who stands sponsor for him. They both drink from this glass, signifying that they are of the same society and of the same "blood relation-The grips and passwords are then communicated to him and he is now a full-fledged nighbinder-an assassin for pay. When the society receives a commission to kill man a good hatchet man is selected to do the bloody work. Or, if it is a war, the society de-tails a number of its best shots. The blood money goes into the common fund and is used for the defense of criminals, care of the wounded and pensions if sent to the state's prison. The surplus is divided according to the rank and services rendered. If a highbinder is killed while in the discharge of his bloody work the society gives him a large funeral, sends his bones to China and pays his family a small pension. society will not abandon any of its members in trouble, and will fee a lawyer as long as it has a dollar or can get funds by forced loans or

These societies levy tribute upon merchants, and, if not paid, robbery or, perhaps, assassination follows. They terrorize the deprayed women and collect from them sums weekly; also, from the owners of these women. If the owners refuse to be blackmailed they steal or forcibly take one of his women and hold her for a reward or sell her to some other bagnio keeper. Some-times the bagnio keeper hires a rival society to protect his dens. Then there is a war wo highbinder societies. When one society invades the district of another a war is the result. The rival bands of outlaws have the Chinese quarter divided, and it is a violation of treaty to plunder or murder in each other's territory. The gaming houses are also a steady source of revenue, paying an agreed sum weekly to be let alone. The high-

binder societies are a terror to the merchants who would gladly see them driven out of the city. Then peace would reign in the Chinese quarter.

His Idea of Prayer. Harold, the five-year-old son of the Presbyterian minister of Dayton, Ky., was being prepared for bed. He had spent a very active day at coasting and was weary and very sleepy. "Now, Harold, kneel down by mamma and say your little prayer.' "But, mamma,"-- half asleep, with his head "Be mamma's good boy, now," coaxingly.

Thank God for all of His goodness to you.' lon't be naughty. Be a good boy, now, and hank Jesus for the nice home you have, the warm clothing and fire to keep you warm and mamma and papa to love you. Think of the poor little boys who are hungry and cold tolight, no mamma to love them, no warm bed "But, mamma," interrupted the sleepy boy,

roused to a protest, "I think them's th' fellers that ort to do the prayin'."

Is This a Dream? submit to a physical examination and to procure doctor's certificate showing him to be in per eet health. Upon entering the building he is reocker provided for the purpose. He then passes room, where each day clean underwear, shoes and white canvas uniforms are provided by the The bread is practically not handled during its manufacture. The water is sterilized the breadmixers' troughs. The milk, butter and other ingredients are as pure as it is possible to procure them, and the bread when it comes from the oven is wrapped in paraffin paper, so that it may not be contaminated by future handling.

Not Posted.

"This is not much of a farming country around here, is it?" said the owner of a farm of several thousand acres in the great West to an old residenter on Long island. "It ain't, hey?" was the contemptuous reply. "I reckon you ain't very well posted about the country round here, mister. Talk about it not being no great of a farmin' country! Well, sir, \$40 with o' caulyflower an' \$19 with o' potaters last season, an' I know o' folks clearin' a clean n'tty dollars a year on their hens. An' yit some folks thinks this ain't no farmin' country!"

For Mission Work.

But while the Presbyterian Church has not grown rapidly in membership, its members have given most liberally to mission work. Last year \$1,203,321 was given for home missions, the largest amount in the history of the denomination. On the other hand, the contributions of Episcopalians for mission work are decreasing, at least in the this independence on their part that caused Science and Old Age.

W. G. NICHOLAS

Prof. Elie Metchnikoff in Putnam's Maga-From twenty to fifty a man should live for himself and his family; from fifty to one hundred for science and humanity, and useful, in full possession of all his faculties at six score years and ten, the gray beard of the approaching future will be among the most enviable of mankind. For the fear The fact is that only one man in a mil lion at present dies a natural death. We should live till one hundred and forty years of age. A man who expires at seventy or Delaware & Hudson eighty is the victim of accident, cut off in Del., Lack. & West, the flower of his days, and he unconsciously resents being deprived of the fifty years or so which nature owes him. Leave him a | Erie first pref The sandman will pass! All our instincts drop from us one by one. The child cries for mothers' milk; the idea of such an ailment is repugnant to the adult. The desire for sweets, for play, for love and lovemaking, for long walks and adventures are all impulses that have their day and pass.

"I have a little niece who is addicted to drawing the long bow and exercising her magination." said a Capitol Hill young "The other day she came in and told fairs, the Rock Island party alone has held | her mother that she had just met and played with a great big yellow lion out in know that is a story. You must not tel

you must pray to the good Lord to forgive

stories, and when you go to bed to-night

And the wish to live is an instluct which falls also with satiety. Only at present

you for telling that story.'
"Sd, when Nellie had finished her prayers her mother asked if she had prayed boiling water, when it assumes the form of a pale yellow liquid. The method of filling shells with it is to meit the lyddite and line shells with it is to meit the lyddite and pour it into the shell, which is then allowed to cool. If ignited in the open air it burns dioceses around New York. A report just is a momentous display of hostility toward the Rock Island deal at the outset. The were asked if she had prayed the Rock Island deal at the outset. The Messrs. Moore and their associates have been out of the market for several months. by that big yellow dog myself."